

JUL 17 2008

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
CHARLOTTESVILLE DIVISION

JOHN F. GORCORAN, CLERK
BY: *[Signature]*
DEPUTY CLERK

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
TERRY L. DOWDELL, et al.,)
)
Defendants.)

CASE NO. 3:01CV00116

REPORT AND RECOMMENDATION

By: B. WAUGH CRIGLER
U.S. MAGISTRATE JUDGE

This action is before the undersigned in accordance with an Order entered on June 20, 2008, under authority of 28 U.S.C. §§ 636(b)(1)(A), (b)(1)(B), and (b)(3), directing the undersigned to conduct proceedings and to render proposed findings of fact and recommendations for the disposition of the Receiver's June 18, 2008 Twenty-Third Interim Application for Allowance of Compensation and Expenses for Receiver ("Twenty-Third Application" or "Application"). For the following reasons, the undersigned RECOMMENDS that the presiding court enter an Order APPROVING all fees and expenses claimed in the Twenty-Third Application, and awarding the Receiver payment of the remaining 20% of the fees in the amount of \$13,222.44.

FINDINGS, CONCLUSIONS AND RECOMMENDATION

In the Twenty-Third Application, the Receiver is seeking the court's approval of compensation in the amount of \$66,112.20 and reimbursement of expenses in the amount of \$548.14 incurred between February 27, 2008 and May 28, 2008. (Application, pp. 1, 7.) The Receiver already has received reimbursement for eighty percent (80%) of the compensation claimed, \$52,889.76, and the full amount of the claimed expenses. (Application, p. 7.) The

Receiver is seeking payment of the remaining unpaid twenty percent (20%), \$13,222.44, and approval of all fees and expenses.

The undersigned has reviewed the Receiver's Summary Of Services Rendered, as set forth in the Application, and first observes that, with the exception of the 137.50 hours claimed spent on activities involving the U.K. Receivership, nothing appears either extraordinary or unreasonable. (Application, p. 6.) The Receiver's efforts relating to the U.K. Receivership were the subject of proceedings held on June 30, 2008 before the presiding District Judge. On May 6, 2008, the Receiver moved for approval of the U.K. claims determination (Dkt. No. 737), and on June 2, 2008, the Receiver moved for a final claim determination (Dkt. No. 742). On June 20, 2008, the Receiver moved for approval of a further distribution to pay costs and expenses of the U.K. Liquidator and its counsel from the joint account of the U.S. Receiver and the U.K. Liquidator. (Dkt. No. 756.) On June 30, 2008, a hearing was held before the presiding District Judge, pursuant to which the court entered an Order on July 7, 2008 granting, in part, and denying, in part, the Receiver's June 2, 2008 motion for a final claim determination.¹ The proceedings before the presiding District Judge on June 30, 2008, the court's action on the motions, and the materials and exhibits filed in support of the motions clearly demonstrate the reasonableness of the time spent by the Receiver in matters relating to the U.K. Receivership.

For these reasons, it is RECOMMENDED that an Order enter APPROVING the amount of compensation and expenses claimed in the Receiver's Twenty-Third Application, and AWARDING the Receiver payment of the remaining 20% unpaid balance of compensation in

¹The Order also referred Claim 0165 to the undersigned for further proceedings and a recommendation on the disposition of the claim. (Dkt. No. 761, p. 2.)

the amount of \$13,222.44.

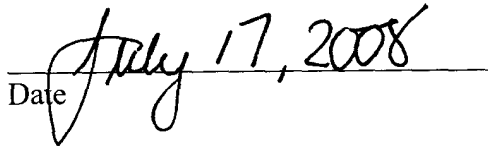
The Clerk is directed to immediately transmit the record in this case to the Honorable Norman K. Moon, United States District Judge. Those affected by this Report and Recommendation are reminded that pursuant to Rule 72(b) they are entitled to note objections, if any they may have, to this Report and Recommendation within (10) days hereof. Any adjudication of fact or conclusion of law rendered herein by the undersigned not specifically objected to within the period prescribed by law may become conclusive upon the parties. Failure to file specific objections pursuant to 28 U.S.C. § 636(b)(1)(C) as to factual recitations or findings as well as to the conclusions reached by the undersigned may be construed by any reviewing court as a waiver of such objection.

The Clerk of the Court hereby is directed to send a certified copy of this Report and Recommendation to all counsel for the Receiver and counsel of record for the SEC.

ENTERED


United States Magistrate Judge

Date


July 17, 2008